

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of	)	
	)	
North American Communications Corporation	)	File No. EB-02-TS-501
	)	
Operator of Cable Systems in the States of:	)	
	)	
Minnesota and Wisconsin	)	
	)	
Request for Waiver of Section 11.11(a) of the	)	
Commission's Rules	)	

**ORDER**

**Adopted: April 28, 2003****Released: May 2, 2003**

By the Chief, Technical and Public Safety Division, Enforcement Bureau:

1. In this *Order*, we grant North American Communications Corporation ("North American") temporary, 36-month waivers of Section 11.11(a) of the Commission's Rules ("Rules") for 27 cable television systems in the two above-captioned states. Section 11.11(a) requires cable systems serving fewer than 5,000 subscribers from a headend to either provide national level Emergency Alert System ("EAS") messages on all programmed channels or install EAS equipment and provide a video interrupt and audio alert on all programmed channels and EAS audio and video messages on at least one programmed channel by October 1, 2002.<sup>1</sup>

2. The Cable Act of 1992 added new Section 624(g) to the Communications Act of 1934 ("Act"), which requires that cable systems be capable of providing EAS alerts to their subscribers.<sup>2</sup> In 1994, the Commission adopted rules requiring cable systems to participate in EAS.<sup>3</sup> In 1997, the Commission amended the EAS rules to provide financial relief for small cable systems.<sup>4</sup> The

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<sup>1</sup> 47 C.F.R. § 11.11(a).

<sup>2</sup> Cable Television Consumer Protection and Competition Act of 1992, Pub. L. No. 102-385, § 16(b), 106 Stat. 1460, 1490 (1992). Section 624(g) provides that "each cable operator shall comply with such standards as the Commission shall prescribe to ensure that viewers of video programming on cable systems are afforded the same emergency information as is afforded by the emergency broadcasting system pursuant to Commission regulations ...." 47 U.S.C. § 544(g).

<sup>3</sup> *Amendment of Part 73, Subpart G, of the Commission's Rules Regarding the Emergency Broadcast System, Report and Order and Further Notice of Proposed Rule Making*, FO Docket Nos. 91-171/91-301, 10 FCC Rcd 1786 (1994) ("First Report and Order"), reconsideration granted in part, denied in part, 10 FCC Rcd 11494 (1995).

<sup>4</sup> *Amendment of Part 73, Subpart G, of the Commission's Rules Regarding the Emergency Broadcast System, Second Report and Order*, FO Docket Nos. 91-171/91-301, 12 FCC Rcd 15503 (1997) ("Second Report and Order").

Commission declined to exempt small cable systems from the EAS requirements, concluding that such an exemption would be inconsistent with the statutory mandate of Section 624(g).<sup>5</sup> However, the Commission extended the deadline for cable systems serving fewer than 10,000 subscribers to begin complying with the EAS rules to October 1, 2002, and provided cable systems serving fewer than 5,000 subscribers the option of either providing national level EAS messages on all programmed channels or installing EAS equipment and providing a video interrupt and audio alert on all programmed channels and EAS audio and video messages on at least one programmed channel.<sup>6</sup> In addition, the Commission stated that it would grant waivers of the EAS rules to small cable systems on a case-by-case basis upon a showing of financial hardship.<sup>7</sup> The Commission indicated that waiver requests must contain at least the following information: (1) justification for the waiver, with reference to the particular rule sections for which a waiver is sought; (2) information about the financial status of the requesting entity, such as a balance sheet and income statement for the two previous years (audited, if possible); (3) the number of other entities that serve the requesting entity's coverage area and that have or are expected to install EAS equipment; and (4) the likelihood (such as proximity or frequency) of hazardous risks to the requesting entity's audience.<sup>8</sup>

3. On September 9, 2002, North American filed a request for temporary, 36-month waivers of Section 11.11(a) for 27 small, rural cable television systems operating in the two captioned states. In support of its waiver request, North American states that these 27 small, rural cable systems serve between 32 and 667 subscribers. Based on price quotes provided by EAS equipment manufacturers, North American estimates that it would cost a total of \$270,000 to install EAS equipment at these cable systems. North American asserts that the cost of installing EAS equipment at these systems will impose a substantial financial hardship on it and provides financial statements for 2000 and 2001 in support of this assertion. In addition, North American submits that its subscribers will continue to have ready access to national EAS information from other sources, including its cable systems. In this regard, North American notes that its subscribers currently have access to national EAS messages on at least 50 percent of all programmed channels. North American also asserts that its subscribers will have access to EAS information through over-the-air reception of broadcast television and radio stations and other sources.

4. Based upon our review of the financial data and other information submitted by North American, we conclude that temporary, 36-month waivers of Section 11.11(a) for 27 cable systems in the two captioned states are warranted.<sup>9</sup> In particular, we find that the estimated \$270,000 cost of EAS equipment for these small cable systems could impose a financial hardship on North American.

5. We note that the Commission recently amended the EAS rules to permit cable systems serving fewer than 5,000 subscribers to install FCC-certified decoder-only units, rather than both encoders and decoders, if such a device becomes available.<sup>10</sup> Based on comments from equipment

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<sup>5</sup> *Id.* at 15512-13.

<sup>6</sup> *Id.* at 15516-15518.

<sup>7</sup> *Id.* at 15513.

<sup>8</sup> *Id.* at 15513, n. 59.

<sup>9</sup> The waivers will extend from October 1, 2002, until October 1, 2005. We clarify that the waivers we are granting also encompass the EAS testing and monitoring requirements.

<sup>10</sup> *Amendment of Part 11 of the Commission's Rules Regarding the Emergency Alert System*, EB Docket 01-66,

manufacturers, we anticipate that such a decoder-only system could result in significant cost savings to small cable systems.<sup>11</sup>

6. Accordingly, **IT IS ORDERED** that, pursuant to Sections 0.111, 0.204(b) and 0.311 of the Rules,<sup>12</sup> North American Communications Corporation **IS GRANTED** a waiver of Section 11.11(a) of the Rules until October 1, 2005 for the 27 cable television systems listed in Attachment A.

7. **IT IS FURTHER ORDERED** that North American Communications Corporation place a copy of this waiver in its system files.

8. **IT IS FURTHER ORDERED** that a copy of this *Order* shall be sent by Certified Mail Return Receipt Requested to counsel for North American Communications Corporation, Christopher C. Cinnamon, Esq., Cinnamon Mueller, 307 North Michigan Avenue, Suite 1020, Chicago, Illinois 60601.

FEDERAL COMMUNICATIONS COMMISSION

Joseph P. Casey  
Chief, Technical and Public Safety Division  
Enforcement Bureau

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FCC 02-64 at ¶ 71 (released February 26, 2002).

<sup>11</sup> One manufacturer estimated that an EAS decoder-only system can reduce the cost by 64% over what a cable operator would spend for an encoder/decoder unit. *Id.* at ¶ 70.

<sup>12</sup> 47 C.F.R. §§ 0.111, 0.204(b) and 0.311.

## Attachment A

North American Communications Corporation

**Cable Systems:****Temporary Waiver Granted Until:****Minnesota**

Big Falls, Minnesota	October 1, 2005
Big Fork, Minnesota	October 1, 2005
Bovey, Minnesota	October 1, 2005
Cologne, Minnesota	October 1, 2005
Delavan, Minnesota	October 1, 2005
Dexter, Minnesota	October 1, 2005
Easton, Minnesota	October 1, 2005
Fountain, Minnesota	October 1, 2005
Garden City, Minnesota	October 1, 2005
Green Isle, Minnesota	October 1, 2005
Hayward, Minnesota	October 1, 2005
Kelliher, Minnesota	October 1, 2005
Lewisville, Minnesota	October 1, 2005
Madison Lake, Minnesota	October 1, 2005
Mapleview, Minnesota	October 1, 2005
Mayer, Minnesota	October 1, 2005
New Auburn, Minnesota	October 1, 2005
New Market Twp, Minnesota	October 1, 2005
Ostrander, Minnesota	October 1, 2005
Plato, Minnesota	October 1, 2005
Racine, Minnesota	October 1, 2005
Red Rock Twp, Minnesota	October 1, 2005
Rose Creek, Minnesota	October 1, 2005
Vernon Center, Minnesota	October 1, 2005
Wells Twp, Minnesota	October 1, 2005
Wykoff, Minnesota	October 1, 2005

**Wisconsin**

Hudson, Wisconsin	October 1, 2005
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